

**FISCAL NOTE**  
**SB 3157 - HB 3185**

February 27, 2004

**SUMMARY OF BILL:**

- Authorizes the use of design-build contracts by local boards of education, the Tennessee Board of Regents, and the University of Tennessee. *Design-build* contract means a single contract with a design-build firm for the design and construction of a public construction project. A design-build firm is certified to engage in contracting through a certified general contractor or is certified to practice either engineering or architecture.
- Gives a county, city, special school district board of education, the Tennessee Board of Regents and the University of Tennessee, the power to employ procedures to contract with a design-build firm for the construction of new facilities, or additions to existing facilities.

**ESTIMATED FISCAL IMPACT:**

**State Expenditures - Net Impact - Not Significant**  
**Local Govt. Expenditures - Net Impact - Not Significant**

Estimate assumes:

- Although this practice is not prohibited under current law, current law does not expressly allow schools to enter into such contracts with design-build firms.
- This bill would affect public schools under local boards of education and institutions under the TBR and the UT systems.
- Schools would be allowed the option of hiring an architect and construction company separately or a design-build firm which would both design and build the facility.
- Streamlining the process to allow one firm to carry out the design and construction of an entire school project could potentially reduce state or local government expenses by reducing labor costs if the design and construction could be done with more expediency. However, in some instances state or local government expenditures could increase since state or local governments could be charged a premium for the convenience of having one firm carry out all the functions required in the design and construction of a school project. Such increase or decrease in state or local government expenditures cannot be determined, but the net effect is estimated to be not significant.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director